

---

---

**Rules of**  
**Department of Natural Resources**  
**Division 60—Public Drinking Water Program**  
**Chapter 3—Permits**

| <b>Title</b>                                                                                                                                      | <b>Page</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>10 CSR 60-3.010</b> Construction Authorization, Final Approval of Construction,<br>Owner-Supervised Program and Permit to Dispense Water ..... | 3           |
| <b>10 CSR 60-3.020</b> Continuing Operating Authority.....                                                                                        | 4           |
| <b>10 CSR 60-3.030</b> Technical, Managerial, and Financial Capacity .....                                                                        | 5           |

**Title 10—DEPARTMENT OF  
NATURAL RESOURCES  
Division 60—Public Drinking  
Water Program  
Chapter 3—Permits**

**10 CSR 60-3.010 Construction Authorization, Final Approval of Construction, Owner-Supervised Program and Permit to Dispense Water**

*PURPOSE: This rule sets out criteria for acquisition and revocation of a permit to dispense water to the public, including submission of predesign studies and plans and specifications, system operation and reliability of the system.*

*PUBLISHER'S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.*

**(1) Community Water System Requirements.**

(A) Written Construction Authorization. A supplier of water which operates a community water system must obtain written authorization from the department prior to construction, alteration or extension of any community water system, unless the project will be constructed under the provisions of 10 CSR 60-10.010(2)(C)2., and, for community water systems commencing operation after October 1, 1999, must comply with the requirements of 10 CSR 60-3.020 and 10 CSR 60-3.030.

1. Two (2) copies of predesign studies pertaining to the project must be submitted to the department before plans and specifications for new water systems or for significant changes to existing water systems are reviewed for approval.

2. Construction authorization shall be requested by submitting written application and two (2) copies of the plans and specifications, as outlined in 10 CSR 60-10.010(2), for the proposed project to the department for review and approval.

3. Preparation of engineering reports, plans and specifications for community water systems and inspection of construction for the purpose of assuring compliance with drawings and specifications must be done by an engineer as defined by 10 CSR 60-2.015 (2)(E)2.

4. A construction authorization shall be valid for a period of two (2) years from the date of authorization. If construction is not commenced within two (2) years from the date of authorization, a new construction authorization must be obtained from the department.

(B) Final Construction Approval. Final construction approval must be obtained from the department for all projects for which approval is required before that project is placed into service. A supplier of water which operates a community water system need not obtain construction approval for projects constructed under the provisions of 10 CSR 60-10.010(2)(C)2.

(C) Supervised Construction Program. A supplier of water which operates a community water system may establish a supervised construction program as specified in 10 CSR 60-10.010(2)(C)2.

(D) Permit to Dispense. Except as exempted in subsection (3)(A) of this rule, no water may be dispensed or be made available to the public by any person without first applying for in writing and receiving a permit to dispense water. The department shall issue permits to dispense water to community water systems under the following terms and conditions:

1. A supplier of water establishing a new community water system must, in order to obtain a permit to dispense water—

A. Comply with the requirements of 10 CSR 60-10.010;

B. Present evidence of the ability to produce water meeting applicable maximum contaminant levels;

C. Present evidence of reliable water system operation, consistent with the type of treatment and the degree of automatic control provided;

D. Complete an emergency operating plan as described in 10 CSR 60-12.010; and

E. For community water systems commencing operation after October 1, 1999, provide proof of continuing operating authority as set forth under 10 CSR 60-3.020 and meet the technical, managerial and financial capacity requirements of 10 CSR 60-3.030; and

2. A supplier of water which operates an existing community water supply not holding a valid permit to dispense water is operating in violation of the Missouri drinking water statutes and regulations and must apply to the department in writing for a permit. Water suppliers in this category must—

A. Present evidence to the department of the ability to produce water meeting applicable maximum contaminant levels;

B. Present evidence of reliable water system operation, consistent with the type of treatment and the degree of automatic control provided;

C. Submit, in duplicate, certified plans and specifications describing the water source, any treatment facilities and the distribution system to the department. Certification must be either by the engineer preparing the information or if prepared by the owner, be a properly notarized affidavit;

D. Provide disinfection with an effective contact time for wells used as a source of supply which were constructed prior to October 1, 1979, and which do not meet community water system construction criteria or where construction cannot be verified by the owner; and

E. Complete an emergency operating plan as described in 10 CSR 60-12.010.

**(2) Noncommunity Water System Requirements.**

(A) Permit to Dispense. Except as exempted in subsection (3)(A) of this rule, a supplier of water which operates a noncommunity water system must apply in writing to the department for a permit to dispense water to the public. Noncommunity public water systems must present evidence to the department of—

1. The ability to produce water meeting applicable maximum contaminant levels;

2. Reliable water system operation, consistent with the type of treatment and the degree of automatic control provided; and

3. For nontransient noncommunity water systems commencing operation after October 1, 1999, continuing operating authority meeting the requirements of 10 CSR 60-3.020 and technical, managerial and financial capacity meeting the requirements of 10 CSR 60-3.030.

(B) Construction Authorization. Each noncommunity supplier of water must notify the department, in advance, of the intent to construct a new or expand an existing water system.

1. Noncommunity water systems utilizing surface or ground water under the direct influence of surface water and nontransient noncommunity water systems must obtain written authorization from the department prior to construction, alteration or extension of the system and must comply with 10 CSR 60-3.020 and 10 CSR 60-3.030.

2. Transient noncommunity water systems utilizing groundwater—

A. May be required, at the discretion of the department, to submit plans and specifications for approval;

B. Shall be constructed in accordance with the department's "Standards for Non-Community Public Water Supplies, 1982"; and

C. Must file with the department, within sixty (60) days of completion, a record of construction for all new or modified wells on forms provided by the department.

(3) Permits to Dispense Water.

(A) Applicability.

1. A water supply meeting all the following conditions is not considered a public water system and as such, is not required to have a permit to dispense if that water supply:

A. Consists only of distribution and storage facilities;

B. Obtains all of its water from, but is not owned or operated by a public water system to which the regulations apply;

C. Does not sell water to any person; and

D. Is not a carrier which conveys passengers in interstate commerce.

2. Water systems serving subdivisions as defined in 10 CSR 60-2.015(2)(S)8. are public water systems and must have a permit to dispense water.

3. Community and noncommunity water systems except as exempted in paragraph (3)(A)1. of this rule must have a permit to dispense water.

(B) Modification or Revocation of a Permit to Dispense. The department may modify or revoke a permit to dispense water, subject to the appeal provisions of section 640.130.5., RSMo, upon a finding that any of the following have occurred:

1. The holder of a permit ceases to function as a public water supply;

2. The holder of a permit fails to correct an operating deficiency or comply with these regulations within a reasonable time after receipt of notice from the department;

3. The department determines that an emergency condition exists in a water supply which endangers, or could be expected to endanger, the health of a person(s) consuming affected water;

4. The public water system changes ownership and the continuing operating authority, as defined in 10 CSR 60-3.020, fails to meet the requirements of 10 CSR 60-3.020; or

5. For community water systems and nontransient noncommunity water systems against which an administrative order has been issued for significant noncompliance with the federal or state drinking water law or regulations, the water system fails to show that a permanent organization exists that serves as the continuing operating authority

and that the continuing operating authority has the necessary technical, managerial, and financial capability for the management, operation, replacement, maintenance, and modernization of the public water system, or the water system is not making substantial progress toward compliance. The continuing operating authority may reapply for a permit to dispense when the compliance issues are resolved.

*AUTHORITY: sections 640.100 and 640.115, RSMo Supp. 1998. \* Original rule filed May 4, 1979, effective Sept. 14, 1979. Amended: Filed April 14, 1981, effective Oct. 11, 1981. Amended: Filed Aug. 13, 1982, effective Dec. 11, 1982. Amended: Filed Aug. 4, 1987, effective Jan. 1, 1988. Amended: Filed July 12, 1991, effective Feb. 6, 1992. Amended: Filed Feb. 1, 1996, effective Oct. 30, 1996. Emergency amendment filed September 20, 1999, effective September 30, 1999, expired March 27, 2000. Amended: Filed July 1, 1999, effective March 30, 2000.*

*\*Original authority: 640.100, RSMo 1939, amended 1978, 1981, 1982, 1988, 1989, 1992, 1993, 1995, 1996, 1998, 1999; and 640.115, RSMo 1939, amended 1949, 1978, 1998..*

### 10 CSR 60-3.020 Continuing Operating Authority

*PURPOSE: This rule establishes continuing operating authority requirements for public water systems.*

(1) Applicability. This rule applies to—

(A) Public water systems commencing operation after October 1, 1999;

(B) Public water systems changing ownership; and

(C) Community water systems and nontransient noncommunity water systems in significant noncompliance.

(2) Definitions.

(A) The terms and definitions in 10 CSR 60-2.015 apply to this rule.

(B) Continuing operating authority means the permanent organization, entity or person identified on the permit to dispense water who is responsible for the management, operation, replacement, maintenance and modernization of the public water system in compliance with the Missouri Safe Drinking Water Law and rules.

(3) Public Water Systems Commencing Operation After October 1, 1999. Owners/operators of public water systems applying for written construction authorizations or permits to dispense water, or both, shall show

in accordance with section (6) of this rule, as part of their application, that a permanent organization exists which will serve as the continuing operating authority for the management, operation, replacement, maintenance and modernization of the facility for which the application is made. The department will not issue written construction authorizations and permits to dispense unless the applicant provides proof satisfactory to the department that a continuing operating authority exists that shall have jurisdiction over the facility. Written construction authorizations and permits to dispense water will be issued to the continuing operating authority. The permit shall be valid only for the continuing operating authority to which the permit is issued.

(4) Permit Review Upon Change in Ownership.

(A) Prior to a change of continuing operating authority, the current continuing operating authority shall notify the department of the pending change at least ninety (90) calendar days prior to ownership transfer. The department will perform a permit review within forty-five (45) calendar days of notice of the ownership transfer to assess the following:

1. The proposed continuing operating authority meets the continuing operating authority requirements of this rule;

2. The public water system is in compliance with applicable maximum contaminant levels and monitoring requirements of 10 CSR 60-4.010 through 10 CSR 60-4.110; and

3. The public water system is in compliance with the minimum positive pressure requirement of 10 CSR 60-4.080(9).

(B) The permit to dispense water shall continue in effect until the department takes an action to issue a permit to the proposed new continuing operating authority under subparagraphs (3)(C) 2.A. or B. of this rule or to deny the permit to the proposed new continuing operating authority under subparagraph (3)(C)2.C. of this rule.

1. If the review shows that the proposed continuing operating authority and public water system meet all requirements in subsection (4)(A), the department will issue a new permit to dispense when ownership transfer is complete showing the new owner as the continuing operation authority responsible for the management, operation, replacement, maintenance and modernization of the public water system in compliance with the Missouri Safe Drinking Water Law and rules.

2. If the review shows the new continuing operating authority meets the requirement in paragraph (4)(A)1., but the public water

system does not meet the requirements in paragraphs (4)(A)2. and 3., the department will negotiate an agreement with the proposed continuing operating authority for achieving compliance with these requirements. Upon completion of the agreement and when ownership transfer is complete, the department will issue a new permit to dispense water to the new continuing operating authority.

3. If the review shows the proposed continuing operating authority does not meet the requirement in paragraph (4)(A)1., the permit to dispense water will be denied.

(5) Requirements for Community Water Systems and Nontransient Noncommunity Water Systems in Significant Noncompliance.

(A) Any community public water system or nontransient noncommunity public water system against which an administrative order has been issued for significant noncompliance with the federal Safe Drinking Water Act as amended or sections 640.100–640.140, RSMo or federal or state rules promulgated thereunder shall show that—

1. A permanent organization exists that serves as the water system's continuing operating authority; and

2. The continuing operating authority has the necessary technical, managerial, and financial capability for the management, operation, replacement, maintenance, and modernization of the public water system.

(B) If the public water system cannot show that such continuing operating authority exists, or if the public water system is not making substantial progress toward compliance with the administrative order, the public water system's technical, managerial and financial capacity will be reviewed and the permit to dispense may be revoked. The continuing operating authority may reapply for a permit to dispense when the compliance issues identified in the administrative order are resolved.

(6) Continuing Operating Authorities.

(A) Continuing operating authorities to whom the department will issue written construction authorizations under section (3) of this rule and permits to dispense water are listed here in preferential order. An applicant proposing a facility within the legal boundaries of an existing higher preference continuing operating authority may utilize a lower preference continuing operating authority by submitting, as part of the application, documentation that water service is not available from each existing higher preference continuing operating authority, or a statement from each existing higher preference continuing

operating authority waiving its preferential status.

1. Municipality, public water supply district, and water system regulated by the Missouri Public Service Commission (PSC). (Note: Written construction authorizations and permits to dispense water will not be issued to a continuing operating authority regulated by the PSC until the continuing operating authority has obtained a certificate of convenience and necessity from the PSC.)

2. Any person showing complete control over and responsibility for the public water system and all property served by it.

3. Any incorporated association of property owners served by a public water system provided that—

A. The incorporated association owns the facility and has authority to lay all necessary water lines;

B. All property owners within the boundaries of the association have adopted covenants covering the land of each property owner, which assure connection to the system when it is available and compliance with the bylaws and rules of the association;

C. The bylaws of the association, or other appropriate documents, provide for the proper management, operation, replacement, maintenance, and modernization of the facility including at a minimum:

(I) The power to regulate the use of the facility;

(II) The power to levy assessments on its members and enforce these assessments on each owner; and

(III) The power to convey the facility to one (1) of the continuing operating authorities listed in subsection (5)(A) of this rule;

D. The documents establishing the continuing operating authority and the covenants called for in subparagraph (6)(A)3.B. of this rule shall be properly recorded with the recorder of deeds in the county or counties where the land within the boundaries of the association lies and a certified copy of the recorded document shall be provided to the department. Additionally, a current title search certified by a title insurance company authorized to do business in Missouri showing the owners of record of all real estate within the boundaries of the association and all lienholders must be provided to the department; all lienholders must subordinate their interest to the covenants; and

E. The association is incorporated as a corporation under the laws of the state of Missouri and a current Certificate of Good Standing from the Missouri secretary of state and a certified copy of the Articles of Incorporation are provided to the department.

(B) The term "available" as used in subsection (6)(A) of this rule shall mean the water system's distribution line is located within a reasonable distance of the potential water customer; the water system will be accessible in a timely manner that will not cause a hardship on the potential water customer; and the water service will be provided at reasonable cost.

(7) Continuing Operating Authority Responsibilities. To ensure the dispensing of safe and adequate supplies of drinking water to its customers, the continuing operating authority for each public water system shall be responsible for all necessary: source withdrawal facilities, treatment facilities, and/or distribution facilities which the public water system owns or leases. The continuing operation authority shall have such valid lease agreements, contracts and properly recorded easements, as necessary, to allow access for new construction, repair, replacement, maintenance, and operation of all facilities.

(8) Private Water Corporations. Private corporations which are not incorporated under the laws of the state of Missouri shall be represented by a registered agent in the state of Missouri before a written authorization to construct or a permit to dispense water will be issued by the department.

*AUTHORITY: sections 640.100 and 640.115, RSMo Supp. 1998.\* Emergency rule filed Sept. 20, 1999, effective Sept. 30, 1999, expired March 27, 2000. Original rule filed July 1, 1999, effective March 30, 2000.*

*\*Original authority: 640.100, RSMo 1939, amended 1978, 1981, 1982, 1988, 1989, 1992, 1993, 1995, 1998, 1999; and 640.115, RSMo 1939, amended 1949, 1978, 1998.*

**10 CSR 60-3.030 Technical, Managerial, and Financial Capacity**

*PURPOSE: This rule establishes minimum technical, managerial and financial capacity requirements for community and nontransient noncommunity water systems commencing operation after October 1, 1999. The rule also includes technical and financial capacity recommendations.*

(1) Applicability. This rule applies to community and nontransient noncommunity water systems commencing operation after October 1, 1999.

(2) General Requirements.

(A) Community and nontransient noncommunity water systems commencing operation after October 1, 1999, shall show, as part of

their permit application, that the public water system will meet the requirements of this rule. The department will not issue a permit to dispense water until requirements of this rule are met.

(B) Public water systems commencing operation after October 1, 1999 shall show as part of their application that the public water system will meet the minimum technical, managerial, and financial capacity requirements of this rule. The department will not issue a written construction authorization until it determines that the proposed water system will meet the requirements of this rule.

(C) Community and nontransient noncommunity water systems shall maintain compliance with this rule and shall provide the department with information during sanitary surveys and upon written request for the department's use in assessing their compliance with this rule.

(D) Community and nontransient noncommunity water systems subject to this rule shall consider and plan for the potential impact of future regulations on their technical, managerial and financial capacity.

### (3) Minimum Technical, Managerial, and Financial Capacity Requirements.

#### (A) Minimum Technical Capacity Requirements.

1. All community water systems subject to this rule must conform to the department's "Standards for Community Public Water Supplies."

2. All nontransient noncommunity water systems subject to this rule must conform to the department's "Standards for Non-Community Public Water Supplies."

3. All public water systems subject to this rule shall have a sufficient number of operators certified as required in 10 CSR 60-14 to provide proper operation and maintenance of all source, treatment, storage, and distribution facilities so that the public water system meets all requirements of sections 640.100–640.140, RSMo and regulations promulgated thereunder. These operators shall be properly trained and be provided all equipment needed, including safety equipment, to perform all tasks in their job duties.

4. All public water systems subject to this rule shall have and maintain an updated distribution system map showing, at a minimum, the size and location of all waterlines, valves, hydrants, storage facilities, pumping facilities, treatment facilities, and water sources and shall make the map available to the department on request.

(B) Minimum Managerial Capacity Requirements.

1. Community and nontransient noncommunity water systems subject to this rule shall have an organization chart that shows every position that provides any drinking water function with the position title, name, business address, and telephone number of the person filling that position. This chart shall show clear lines of authority and supervision. Elected officials and managers that have overall jurisdiction shall also be shown on this chart. The chart shall state the name(s) of the persons or legal entity who own the public water system along with the business address and telephone number of the owner(s). This chart shall be publicly displayed and shall be updated within thirty (30) calendar days of any changes. An updated copy of the organization chart shall be made available to the department.

2. Community and nontransient noncommunity water systems subject to this rule shall designate a person or persons who will receive customer complaints and shall have a written procedure for receiving, investigating, resolving, and recording customer complaints. The name, title, business address, business telephone number and office hours of the person(s) designated to receive complaints shall be publicly displayed, along with the written complaint procedure. Complaint records shall be kept for a minimum of five (5) years and shall be made available to the department upon request. Results of investigations shall be used as part of the planning process for future improvements.

3. Community and nontransient noncommunity water systems subject to this rule shall have a written rate structure and service fees, and the rate structure and service fees shall be publicly displayed and shall be made available to the department upon request.

4. Community and nontransient noncommunity water systems subject to this rule shall hold at least one (1) public meeting prior to changing the rate structure or service fees and shall notify the customers in advance of the public meeting by posting notice in the principal business office and providing notice in the area served, unless the rate increase procedure is regulated by other state or federal regulations. Records of customers' notice and summary of the public meeting shall be kept for a minimum of five (5) years and shall be made available to the department upon request.

5. Community and nontransient noncommunity water systems subject to this rule shall designate a person to deal with compliance-related issues in accordance with the public drinking water regulations in 10 CSR 60, including reporting and public notice requirements. This person shall be trained in

public drinking water regulation requirements and shall act as liaison with the department on drinking water issues. The department will refer compliance actions to this person. The name, position title, business address, business telephone number, and office hours for this person shall be made available to the department and the department shall be notified within thirty (30) calendar days of any change.

#### (C) Minimum Financial Capacity Requirements.

1. Community and nontransient noncommunity water systems subject to this rule shall adhere to standard accounting practices in accordance with the Generally Accepted Accounting Principles and Practices, or the National Association of Regulated Utility Companies Uniform System of Accounts, as appropriate.

2. Community and nontransient noncommunity water systems subject to this rule shall develop and implement a system of collection of water fees that includes disconnection of service for nonpayment or other measures for obtaining payment. The total of uncollected fees and the percentage of uncollected fees compared to sum of collected and uncollected fees shall be recorded monthly. These records shall be made available to the department upon request.

3. Community and nontransient noncommunity water systems subject to this rule shall develop an annual budget showing public water system revenues and expenditures, shall prepare a report at the end of each fiscal year showing public water system revenues and expenditures for that year and a comparison with the annual budget prepared for that year, and shall prepare a five (5)-year capital improvement budget and capital improvement plan that will be updated annually. The capital improvement plan shall include the potential financial impacts of future regulations. These records shall be kept for a minimum of ten (10) years and shall be made available to the department upon request.

4. Annual revenues shall cover all public water system costs for the system including operating costs, maintenance costs, debt service costs, operating reserves, debt service reserves, emergency equipment replacement reserves, and revenue collection costs.

5. Community and nontransient noncommunity water systems subject to this rule and not subject to state regulation of rates for water service, in addition to all other financial capacity requirements, shall have and maintain—

A. An operating reserve equal to or greater than one-tenth (1/10) of the annual



operations and maintenance budget. The public water system must establish this reserve in at least annual payments not to exceed ten (10) years. Funds from the operating reserve shall be used for operating and maintenance expenses only and shall be replaced within ten (10) years from the date of use. This reserve shall be invested in an account with ready access to the funds. Records of this reserve shall be made available to the department upon request. Other private, state, or federal reserves may be applied to meet this requirement;

B. An emergency equipment replacement reserve equal to or greater than the replacement cost of the most expensive mechanical equipment item needed for operation. The public water system must establish this reserve in at least annual payments over a minimum of ten (10) years. Funds from the reserve shall be used for emergency equipment replacement expenses only and any funds so used shall be replaced within ten (10) years from the date of use. This reserve shall be invested in an account with ready access to the funds. Records of this reserve shall be made available to the department upon request. Other private, state, or federal reserves may be applied to meet this requirement; and

C. If there is debt on the public water system facilities, a debt service reserve no less than ten percent (10%) of the principle and interest or the amount required in the bonding agreement. Funds from the debt service reserve shall be used only for debt service expenses and for purposes agreed to in the bonding agreement and shall be replaced no less than as required in the bonding agreement. Records of this reserve shall be made available to the department upon request.

(4) Recommendations. This section includes recommendations for further enhancing managerial and financial capacity. These recommendations will not be used to determine if minimum regulatory requirements are met for issuance of permits to dispense water.

(A) Managerial capacity recommendations include the following:

1. All public water systems should designate a person to be liaison with other public water systems and officials of entities that may impact drinking water systems. This person should be trained in water resource planning and general public drinking water system issues; and

2. All public water systems should have management with sufficient expertise to ensure that all public drinking water facilities are properly operated, maintained and in compliance with department regulations;

improvements needed for future population and commercial growth are properly planned and that these plans are financed and executed; all personnel providing drinking water functions continue to be trained to achieve professional expertise in their field; the personnel are organized and motivated to provide good customer service, good interaction with the department and other regulatory agencies, good interaction with other regional water systems and water users including participating in long-term strategic planning for management of regional water resources; and that the supply finances are fiscally sound.

(B) Financial capacity recommendations include the following:

1. Revenues from drinking water sales should cover all public water system costs for the system including operating costs, maintenance costs, debt service costs, operating reserves, debt reserves, emergency equipment replacement reserves, and revenue collection costs. Capital improvement funding for facilities needed for upgrading the existing system should come from revenue from water sales or other sources of capital. Rates should be set accordingly;

2. New connection fees, development fees, and other funding sources should cover all public water supply capital improvements costs for facilities needed for expanding the system for new customers. Fees should be set accordingly; and

3. All drinking water generated revenues should be used for drinking water purposes. For public water systems owned by entities that provide other services in addition to drinking water, drinking water purposes should include equitable share of administrative costs for the entire entity.

*AUTHORITY: sections 640.100 and 640.115, RSMo Supp. 1998.\* Emergency rule filed Sept. 20, 1999, effective Sept. 30, 1999, expired March 27, 2000. Original rule filed July 1, 1999, effective March 30, 2000.*

*\*Original authority: 640.100, RSMo 1939, amended 1978, 1981, 1982, 1988, 1989, 1992, 1993, 1995, 1996, 1998, 1999; and 640.115, RSMo 1939, amended 1949, 1978, 1998.*